

3/18/77 [2]

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THE WHITE HOUSE
WASHINGTON

March 18, 1977

Charlie Schultze

The attached was returned in the
President's outbox. It is forwarded
to you for your information.

Rick Hutcheson

Re: The Consumer Price Index
in February

THE WHITE HOUSE
WASHINGTON

ACTION	FYI
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON

	FOR STAFFING
	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ENROLLED BILL
	AGENCY BILL
	Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

	CAB DECISION
	EXECUTIVE ORDER
	Staffing comments should go to Doug Huron within 48 hours; due from Huron to Staff Secretary next day.

ACTION	FYI
	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING
	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
<input checked="" type="checkbox"/>	SCHULTZE
	SIEGEL
	SMITH
	WELLS
	VOORDE

THE PRESIDENT HAS SEEN.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

9
1

March 18, 1977

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze
Subject: The Consumer Price Index (CPI) in February

The CPI rose 1.0 percent in February. A sharp rise in food prices (2.0 percent) led to this result. Items other than food rose 0.6 percent.

The cold weather clearly played a major role -- fruit and vegetable prices rose 8.3 percent.

On the other hand, the rise in consumer prices other than food and energy has risen faster in the past two months than in the latter part of 1976.

CPI except food energy
(percent increase)

1976 Sept.	.4
Oct.	.4
Nov.	.4
Dec.	.4
1977 Jan.	.9
Feb.	.6

(The CPI was released today at 10:00 a.m.)

Electrostatic Copy Made
for Preservation Purposes



✓
THE WHITE HOUSE
WASHINGTON

March 18, 1977

Stu Eizenstat -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

cc: Ham Jordan
Frank Moore
Jack Watson

Re:HUD Neighborhood Commission

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
X		EIZENSTAT
	✓	JORDAN
		LIPSHUTZ
	✓	MOORE
		POWELL
	✓	WATSON

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		MITCHELL
		POSTON
		PRESS
		B. RAINWATER
		SCHLESINGER
		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		WELLS
		VOORDE

THE WHITE HOUSE
WASHINGTON

Mr. President:

Jack Watson concurs with
Hamilton, and favors Option 2.

Rick

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

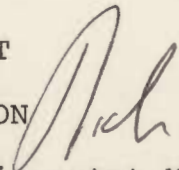
ACTION

16 March 1977

TO:

THE PRESIDENT

FROM:

RICK HUTCHESON 

SUBJECT:

SUMMARY OF Eizenstat Memo:

"HUD Neighborhood Commission"

BACKGROUND:

The House has deleted the \$2 million Neighborhood Commission from the FY 77 Supplemental Authorization. As Senate action approving a one-year Commission is expected, the Commission's fate will be resolved next week in Conference.

Committee staffers believe that if the Administration maintains a posture of inactive support, the Conference Committee could go either way.

Vetoing the Commission (if it is resurrected) is unrealistic as it is attached to the Authorization bill. Eizenstat and HUD believe that withdrawing Administration support for the Commission would be a political blunder, certain to be misinterpreted by neighborhood groups. Substantively, however, the Commission is another advisory group duplicating the function to be performed by Geno Baroni at HUD.

VIEWS:

1. Ethnic leaders ardently support the Commission as a symbol of a neighborhood-oriented urban policy.
2. Secretary Harris has publicly endorsed the Commission but privately opposes it (she fears that Joe Timilty would be made Chairman). She wants the Administration to remain publicly committed but to take no affirmative action to encourage Conference Committee approval.
3. Sen. Proxmire (sponsor of the Commission) would be disappointed by a Timilty appointment as Chairman (as would, according to Stu, "neighborhood groups").

4. Stu Eizenstat argues for active support of the Commission (which would probably save the Commission in Conference):
 - a. neighborhood groups will hold the Administration accountable for minimal support if the Commission fails in Conference (Baroni thinks this is true)
 - b. the Commission could catalyze community group support for the Administration's urban policy as a vehicle for direct involvement, with opportunities for popular hearings and media events
5. Hamilton Jordan is against the Commission, and thinks the President should veto it if it passes. He thinks the idea of the Commission flies in the face of reorganization goals.

Hamilton adds: "If it passes and the President agrees to its creation, Joe Timilty would be my strong first choice as Chair, regardless of whether or not Secretary Harris likes him or not. Joe Timilty helped us get here and is politically sensitive to the problems of cities and neighborhoods."

PRESIDENTIAL DECISION:

- _____ Option 1 - The Administration can withdraw its support for the Commission.
- _____ Option 2 - The Administration can remain publicly committed but take no affirmative action to encourage Conference approval.
- _____ Option 3 - The Administration can support Conference approval.

*I agree with
Hamilton
J*

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for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

Date: March 16, 1977

MEMORANDUM

FOR ACTION:

The Vice President
Midge Costanza
Frank Moore
Jack Watson - *of team 2*

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Rick Hutcheson memo 3/16/77 re Summary of
Eizenstat Memo: "HUD Neighborhood Commission."

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 4:00 P.M.

DAY: Thursday

DATE: March 17, 1977

ACTION REQUESTED:

☒ Your comments
Other:

STAFF RESPONSE:

☐ I concur. ☐ No comment.
Please note other comments below:

*Jack Watson
asked for couple of
hours will have
comments
4PM 3/17*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Done: [unclear]
 memo re
 Summary of [unclear]

THE WHITE HOUSE
 WASHINGTON

memo re
 H. H. [unclear]
 Commission

due
 4:00 pm
 Thurs

ACTION	FYI
X	MONDALE
X	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
X	MOORE
	POWELL
X	WATSON

X	FOR STAFFING
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	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	WELLS
	VOORDE

THE WHITE HOUSE

WASHINGTON

March 16, 1977

MEMORANDUM TO: THE PRESIDENT

FROM: HAMILTON JORDAN *Stu*
STU EIZENSTAT

SUBJECT: HUD Neighborhood Commission

The House unexpectedly deleted the \$2 million Neighborhood Commission from the FY 1977 Supplemental Authorization. Since Senate action approving a one-year Commission is expected, the Commission's fate will be resolved next week in Conference.

Secretary Harris has publicly endorsed the Commission but has not affirmatively pushed it. Committee staffers believe that if the Administration maintains a posture of inactive support, the Conference Committee could go either way. Vetoing the Commission if it is resurrected is unrealistic since it is attached to the authorization bill.

The Commission has ardent support among ethnic leaders and community/neighborhood groups, none of whom were galvanized for what everyone had expected would be automatic approval in the House; for many, it has become the symbol of a new neighborhood-oriented urban policy. Substantively, it is another advisory group arguably duplicating the function to be performed by Geno Baroni at HUD.

Administration Position

*OPTION 1: The Administration can remain publicly committed but take no affirmative action to encourage Conference approval.

This posture gives the Commission the chance to die of its own weight without overtly antagonizing the Commission's supporters.

The arguments for letting the Commission die are:

- It could duplicate the new role designed for Baroni at HUD and useful ongoing research at universities.
- Its findings, especially with respect to housing and education, could raise controversy and increase polarization, thereby rejuvenating the "ethnic purity" issue. Implementation could be difficult.
- Joe Timilty's appointment as Chairman would disappoint Senator Proxmire (the Commission's sponsor) and neighborhood groups, and could revive images of Boston "Southie" politics.
- It is yet another advisory commission at a time when we are supposed to be reorganizing, and an unnecessary \$2 million appropriation.

For the above reasons, Secretary Harris privately opposes the Commission (she is especially concerned over the Timilty Chairmanship) despite her endorsement.

* HUD and Hamilton support this option.

SEE MY NOTE ON BACK PAGE *H.D.*

*OPTION 2: The Administration can withdraw its support for the Commission.

We believe, and HUD concurs, that this would be a political blunder and would certainly be misinterpreted.

*OPTION 3: The Administration can express interest in Conference approval.

Committee staffers believe this would preserve the Commission. The House's rejection gives you a special opportunity to play a critical role on behalf of ethnic and community groups.

The arguments for active support are:

- If the Commission fails in Conference, community groups will hold the Administration accountable for what is perceived as minimal support. That perception was fostered by HUD's lukewarm support and quiet efforts to reduce the Commission's lifespan on the Hill.
- The Commission gives the Administration strong political opportunities through patronage, popular hearings and media events.

- On a highly confidential basis, Geno Baroni has expressed the view that the Commission would be substantively useful as an independent force, and that a lack of enthusiasm could be confused with rejection of the constituencies devoted to the Commission.
- The Commission could catalyze community group support for the Administration's urban policy. There is no other vehicle to create such direct involvement.

Stu Eizenstat supports this option.

_____ Approve Option 1

_____ Approve Option 2

_____ Approve Option 3

I am against this Commission. If it passes, the President should veto it. The very idea of such a commission flies directly in the face of the goals of reorganization. If it passes and the President agrees to its creation, Joe Timilty would be my strong first choice as Chair, regardless of whether or not Secretary Harris likes him or not. Joe Timilty helped us get here and is politically sensitive to the problems of cities and neighborhoods.

H.Q.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

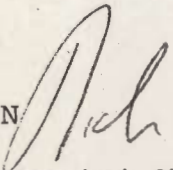
ACTION

16 March 1977

TO:

THE PRESIDENT

FROM:

RICK HUTCHESON 

SUBJECT:

SUMMARY OF Eizenstat Memo:

"HUD Neighborhood Commission"

BACKGROUND:

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Committee staffers believe that if the Administration maintains a posture of inactive support, the Conference Committee could go either way.

Vetoing the Commission (if it is resurrected) is unrealistic as it is attached to the Authorization bill. Eizenstat and HUD believe that withdrawing Administration support for the Commission would be a political blunder, certain to be misinterpreted by neighborhood groups. Substantively, however, the Commission is another advisory group duplicating the function to be performed by Geno Baroni at HUD.

VIEWS:

1. Ethnic leaders ardently support the Commission as a symbol of a neighborhood-oriented urban policy.
2. Secretary Harris has publicly endorsed the Commission but privately opposes it (she fears that Joe Timilty would be made Chairman). She wants the Administration to remain publicly committed but to take no affirmative action to encourage Conference Committee approval.
3. Sen. Proxmire (sponsor of the Commission) would be disappointed by a Timilty appointment as Chairman (as would, according to Stu, "neighborhood groups").

4. Stu Eizenstat argues for active support of the Commission (which would probably save the Commission in Conference):
 - a. neighborhood groups will hold the Administration accountable for minimal support if the Commission fails in Conference (Baroni thinks this is true)
 - b. the Commission could catalyze community group support for the Administration's urban policy as a vehicle for direct involvement, with opportunities for popular hearings and media events
5. Hamilton Jordan is against the Commission, and thinks the President should veto it if it passes. He thinks the idea of the Commission flies in the face of reorganization goals.

Hamilton adds: "If it passes and the President agrees to its creation, Joe Timilty would be my strong first choice as Chair, regardless of whether or not Secretary Harris likes him or not. Joe Timilty helped us get here and is politically sensitive to the problems of cities and neighborhoods."

PRESIDENTIAL DECISION:

- _____ Option 1 - The Administration can withdraw its support for the Commission.
- _____ Option 2 - The Administration can remain publicly committed but take no affirmative action to encourage Conference approval.
- _____ Option 3 - The Administration can support Conference approval.

THE WHITE HOUSE

WASHINGTON

March 16, 1977

MEMORANDUM TO: THE PRESIDENT

FROM: HAMILTON JORDAN *Stu*
STU EIZENSTAT

SUBJECT: HUD Neighborhood Commission

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This posture gives the Commission the chance to die of its own weight without overtly antagonizing the Commission's supporters.

The arguments for letting the Commission die are:

- It could duplicate the new role designed for Baroni at HUD and useful ongoing research at universities.
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- It is yet another advisory commission at a time when we are supposed to be reorganizing, and an unnecessary \$2 million appropriation.

For the above reasons, Secretary Harris privately opposes the Commission (she is especially concerned over the Timilty Chairmanship) despite her endorsement.

* HUD and Hamilton support this option.

SEE MY NOTE ON BACK PAGE *H.O.*

*OPTION 2: The Administration can withdraw its support for the Commission.

We believe, and HUD concurs, that this would be a political blunder and would certainly be misinterpreted.

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Committee staffers believe this would preserve the Commission. The House's rejection gives you a special opportunity to play a critical role on behalf of ethnic and community groups.

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- The Commission could catalyze community group support for the Administration's urban policy. There is no other vehicle to create such direct involvement.

Stu Eizenstat supports this option.

_____ Approve Option 1

_____ Approve Option 2

_____ Approve Option 3

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H.G.

Date: March 16, 1977

MEMORANDUM

FOR ACTION:

The Vice President
Midge Costanza
Frank Moore
Jack Watson ✓

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Rick Hutcheson memo 3/16/77 re Summary of
Eizenstat Memo: "HUD Neighborhood Commission."

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 4:00 P.M.

DAY: Thursday

DATE: March 17, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

I support option 2 -- that the Administration remain publicly committed but take no affirmative action to encourage conference approval. As Hamilton says, the commission flies in the face of reorganization goals. Also, it would duplicate the work of the Cabinet cluster on urban and regional development which we are about to convene. Finally, you may avoid the Timilty problem by not indicating your active support.

Jack Watson

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

EYES ONLY

THE WHITE HOUSE
WASHINGTON

March 18, 1977

Stu Eizenstat -

Dairy Price Supports

The attached was returned in the President's
outbox. It is forwarded to you for appropriate
action.

Rick Hutcheson

cc: The Vice President
Hamilton Jordan
Frank Moore
Jody Powell
Jack Watson

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
	X	MONDALE
		COSTANZA
	X	EIZENSTAT
	X	JORDAN
		LIPSHUTZ
	X	MOORE
	X	POWELL
	X	WATSON

eyes only

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		SCHLESINGER
		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		WELLS
		VOORDE

THE WHITE HOUSE 1
WASHINGTON

Mr. President:

The Vice President comments:

"I concur in the judgment of Stu and Bob Bergland that the \$9.00 price support should be established. Both Bob and I have talked with the dairy state representatives in the Congress. We've been advised that they could go along with the 83% level, but would be compelled to criticize sharply a decision to keep the support at 80% of parity. Because of the promises in the campaign, I think we must go to 83%."

---Rick

THE WHITE HOUSE
WASHINGTON

March 16, 1977

*I never
promised to
exceed production
costs & price
supports
J*

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Dairy Price Supports

As I recently mentioned, by April 1 a decision must be made on the level of price supports for dairy products. The Secretary of Agriculture is required to support the price of manufacturing milk between 75 and 90 percent of parity. It is currently set at \$8.26 per hundred pounds which represented 80 percent of parity when it was set on October 1, 1976 but now represents only 76 percent of parity.

The economics of the issue are fairly clear. At current prices, the production of milk exceeds commercial use, resulting in an accumulation of dried milk stocks by the Commodity Credit Corporation (CCC). Government owned stocks are expected to exceed 450 million pounds by the end of this year; budget costs for FY 1977 will run \$425 million. Since there are no ready outlets for these stocks and dried milk does not store well, significant losses can be expected. Any upward adjustment in the support level will further worsen this imbalance as it will elicit increased production and lower consumption.

Though most dairy farmers are not realizing large profits under current prices, neither is there evidence of hardship. The average cost of production in 1976 (excluding returns to land and management) was \$8.67, significantly below the average price received of \$9.58 on February 15, 1977. (The \$9.58 price is a "blend" of the higher fluid milk price and the lower price of manufacturing grade milk. It is the latter component which price supports bolster). Also, production has increased significantly over the past year which is further evidence of general economic health in the industry.

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for Preservation Purposes**

From a political viewpoint, the situation is somewhat different. A summary of statements made by you and the Vice President on this issue during the campaign is attached. In your statement and letter, you sharply criticized President Ford's veto of a bill raising price supports to 85 percent of parity (the equivalent of \$8.77 at that time) and indicated that you would have signed such legislation. The Vice President strongly indicated that "one of the first things we're going to do is introduce that 85 percent minimum dairy price support."

The House Agriculture Committee has recommended to the House Budget Committee that the FY 1978 budget should assume supports set at 85 percent of parity. Though several milk producer organizations have argued for the 85 percent support, industry opinion is divided. The National Milk Producers Federation, a leading lobby organization for major dairy cooperatives, has recommended 80 percent. It would seem that while most producers are hoping for supports at 85 percent of parity, they are expecting less, probably 80 percent. The staff of the Council on Wage and Price Stability issued a report opposing any increase in the support price and recommending that consideration be given to lowering the level of support.

The major options are as follows:

- 1) Stick with 80 percent of parity, which would require raising the current price support from \$8.26 per hundred weight to \$8.67. This would result in additional Treasury costs of \$128 million (beyond the current level of \$425 million) and additional consumer expenditures of \$332 million (3/4¢ per quart). Both Secretary Bergland and I feel strongly that we should not adopt this option since it would be so contrary to our campaign statements. OMB favors this option, given the budgetary implications of raising supports higher.
- 2) Raise the support level to 85 percent of parity, which would raise the floor price to \$9.21 per cwt. This would increase Treasury costs by an estimated \$455 million and consumer expenditures by \$736 million (2½¢ per quart). Secretary Bergland believes this is too costly and has pointed out that this would give dairy farmers considerably more than the dollar equivalent of 85 percent of parity at the time of your October 25, 1976 letter, which would have been \$8.77 per cwt. Too high

- 3) Establish a floor price of \$9.00 per cwt., roughly 83 percent of parity. This middle course would add about \$325 million to budget costs and \$579 million (1½¢ per quart) to consumer food costs. Secretary Bergland recommends this option. He states that \$9.00 is a sort of "magic" number for farmers and that he thinks it is high enough to ward off criticism that we have not gone to a full 85 percent of parity. It also would permit him to argue that the actual floor price of \$9.00 was higher than the floor price would have been in October 1976 at 85 percent (\$8.77).

CEA points out that an increase in milk support prices at this time would have significant effects on budget outlays and consumer prices, without any significant economic benefits because government stocks of dairy products will be more than adequate at the existing price support level. An increase to \$9.00 per cwt. in the support price would probably result in something like 4 billion pounds of milk equivalent (about 3 percent of annual milk production) added to government stocks at a budget cost in the neighborhood of \$300 to \$350 million per year. CEA believes that the increase in the price of milk, if fully applied to fluid milk and passed through to consumers dollar for dollar would increase consumer costs of milk even more than the \$579 million estimated by USDA.

CEA estimates that the effect of an increase to \$9.00 per cwt. on food prices works out to about .5 to .6 of 1 percent on the food CPI, which implies a little over .1 of 1 percent on the overall CPI.

DECISION

Option 1 _____ (OMB, CEA)

Option 2 _____

Option 3 ✓ (Secretary Bergland and I)

JC.

Regardless of the choice among these options, there is a longer-term question concerning the cost effectiveness of the current approach to dairy price and income support. The current program results in large government stocks, higher consumer food prices, and interferes in market allocation. It is generally inconsistent with the principals of the farm bill now being drafted. I further recommend, therefore, that you ask Secretary Bergland to assess alternative means, legislative or administrative, to the attainment of these objectives.

CAMPAIGN STATEMENTS ON MILK PARITY IN WISCONSIN

In Eau Claire, Carter said he would guarantee American dairy farmers a price support level adequate to meet their costs. He did not commit himself to a specific parity figure, as did his principal rival in the Wisconsin primary, Morris K. Udall, who favors 90%."

--Milwaukee Journal, 3/31/76

Udall criticized Carter for first saying that he would support 80% of parity, then saying later that he would sign a bill calling for 85%.

-- Milwaukee Journal, 4/3/76

Yesterday Carter backed away from his suggestion that farmers settle for a price support level of 80% of parity. In an effort to blunt criticism from farmers, he said he could support a 90% figure. "I've always avoided any commitment to any figure. My unchanging attitude is to have price supports cover the costs of production. If it should be 90% or 87% or 83% or 80%, whatever it is, that's what I would support. I don't want to be tied to a specific percentage." Carter said he would have signed an 85% parity measure vetoed by President Ford.

--Milwaukee Sentinel, 3/31/76

* At Eau Claire, Mondale promised that Carter would not veto legislation designed to increase milk price supports to 85% of parity from the current 80%. "When we get in power, one of the first things we're going to do is introduce that 85% minimum dairy price support."

--Janesville Gazette, 8/28/76

This month you are feeling the full impact of President Ford's vetoes of legislation increasing price supports to 85% of parity. Manufactured milk prices have taken their biggest nosedive in history.....

If President Ford had not twice vetoed legislation raising price supports to 85% of parity, farmers would have had a floor price of \$8.77 per hundredweight rather than the \$8.26 floor which exists under the present 80% support level. Because of those vetoes, milk prices this month are 31¢ a hundredweight lower than they would have been under an 85% support level and are heading down toward \$8.26.

--Joint letter to "Dear Farmer:"
signed by Jimmy Carter, Gaylord Nelson
and Dave Obey, 10/25/76

(Mailed to 15,000 dairy farmers in
Obey's district) -- Capital Times, 11/22/76

I favor adequate milk price support to assure dairy farmers an adequate and reasonable profit. As President, I would have signed the bill President Ford vetoed raising supports to 85% parity. Such adjustments are needed to account for higher production costs. If such adjustments are not made, milk prices could rise even more in the coming months as more farmers become discouraged and cut production.

--Campaign Position Paper
Jimmy Carter on Dairy Farming
Pre-Convention #65

THE WHITE HOUSE
WASHINGTON

March 16, 1977

*I never
promised to
exceed production
Costs & price
supports
J*

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Dairy Price Supports

As I recently mentioned, by April 1 a decision must be made on the level of price supports for dairy products. The Secretary of Agriculture is required to support the price of manufacturing milk between 75 and 90 percent of parity. It is currently set at \$8.26 per hundred pounds which represented 80 percent of parity when it was set on October 1, 1976 but now represents only 76 percent of parity.

The economics of the issue are fairly clear. At current prices, the production of milk exceeds commercial use, resulting in an accumulation of dried milk stocks by the Commodity Credit Corporation (CCC). Government owned stocks are expected to exceed 450 million pounds by the end of this year; budget costs for FY 1977 will run \$425 million. Since there are no ready outlets for these stocks and dried milk does not store well, significant losses can be expected. Any upward adjustment in the support level will further worsen this imbalance as it will elicit increased production and lower consumption.

Though most dairy farmers are not realizing large profits under current prices, neither is there evidence of hardship. The average cost of production in 1976 (excluding returns to land and management) was \$8.67, significantly below the average price received of \$9.58 on February 15, 1977. (The \$9.58 price is a "blend" of the higher fluid milk price and the lower price of manufacturing grade milk. It is the latter component which price supports bolster). Also, production has increased significantly over the past year which is further evidence of general economic health in the industry.

From a political viewpoint, the situation is somewhat different. A summary of statements made by you and the Vice President on this issue during the campaign is attached. In your statement and letter, you sharply criticized President Ford's veto of a bill raising price supports to 85 percent of parity (the equivalent of \$8.77 at that time) and indicated that you would have signed such legislation. The Vice President strongly indicated that "one of the first things we're going to do is introduce that 85 percent minimum dairy price support."

The House Agriculture Committee has recommended to the House Budget Committee that the FY 1978 budget should assume supports set at 85 percent of parity. Though several milk producer organizations have argued for the 85 percent support, industry opinion is divided. The National Milk Producers Federation, a leading lobby organization for major dairy cooperatives, has recommended 80 percent. It would seem that while most producers are hoping for supports at 85 percent of parity, they are expecting less, probably 80 percent. The staff of the Council on Wage and Price Stability issued a report opposing any increase in the support price and recommending that consideration be given to lowering the level of support.

The major options are as follows:

- 1) Stick with 80 percent of parity, which would require raising the current price support from \$8.26 per hundred weight to \$8.67. This would result in additional Treasury costs of \$128 million (beyond the current level of \$425 million) and additional consumer expenditures of \$332 million (3/4¢ per quart). Both Secretary Bergland and I feel strongly that we should not adopt this option since it would be so contrary to our campaign statements. OMB favors this option, given the budgetary implications of raising supports higher.
- 2) Raise the support level to 85 percent of parity, which would raise the floor price to \$9.21 per cwt. This would increase Treasury costs by an estimated \$455 million and consumer expenditures by \$736 million (2½¢ per quart). Secretary Bergland believes this is too costly and has pointed out that this would give dairy farmers considerably more than the dollar equivalent of 85 percent of parity at the time of your October 25, 1976 letter, which would have been \$8.77 per cwt.

Too high

- 3) Establish a floor price of \$9.00 per cwt., roughly 83 percent of parity. This middle course would add about \$325 million to budget costs and \$579 million (1½¢ per quart) to consumer food costs. Secretary Bergland recommends this option. He states that \$9.00 is a sort of "magic" number for farmers and that he thinks it is high enough to ward off criticism that we have not gone to a full 85 percent of parity. It also would permit him to argue that the actual floor price of \$9.00 was higher than the floor price would have been in October 1976 at 85 percent (\$8.77).

CEA points out that an increase in milk support prices at this time would have significant effects on budget outlays and consumer prices, without any significant economic benefits because government stocks of dairy products will be more than adequate at the existing price support level. An increase to \$9.00 per cwt. in the support price would probably result in something like 4 billion pounds of milk equivalent (about 3 percent of annual milk production) added to government stocks at a budget cost in the neighborhood of \$300 to \$350 million per year. CEA believes that the increase in the price of milk, if fully applied to fluid milk and passed through to consumers dollar for dollar would increase consumer costs of milk even more than the \$579 million estimated by USDA.

CEA estimates that the effect of an increase to \$9.00 per cwt. on food prices works out to about .5 to .6 of 1 percent on the food CPI, which implies a little over .1 of 1 percent on the overall CPI.

DECISION

Option 1 _____ (OMB, CEA)

Option 2 _____

Option 3 ✓ (Secretary Bergland and I)

JC

Regardless of the choice among these options, there is a longer-term question concerning the cost effectiveness of the current approach to dairy price and income support. The current program results in large government stocks, higher consumer food prices, and interferes in market allocation. It is generally inconsistent with the principals of the farm bill now being drafted. I further recommend, therefore, that you ask Secretary Bergland to assess alternative means, legislative or administrative, to the attainment of these objectives.

THE WHITE HOUSE
WASHINGTON

Date: March 16, 1977

MEMORANDUM

FOR ACTION:

The Vice President
Hamilton Jordan
Bob Lipshutz
Frank Moore
Jack Watson

- change to \$370

✓ no comment

FOR INFORMATION: Jody Powell

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Stu Eizenstat memo 3/16/77 re Dairy
Price Supports.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 4:00 P.M.

DAY: Thursday

DATE: March 17, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE

WASHINGTON

March 16, 1977

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FROM: STU EIZENSTAT *Stu*
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Option 3 _____ (Secretary Bergland and I)

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CAMPAIGN STATEMENTS ON MILK PARITY IN WISCONSIN

In Eau Claire, Carter said he would guarantee American dairy farmers a price support level adequate to meet their costs. He did not commit himself to a specific parity figure, as did his principal rival in the Wisconsin primary, Morris K. Udall, who favors 90%."

--Milwaukee Journal, 3/31/76

Udall criticized Carter for first saying that he would support 80% of parity, then saying later that he would sign a bill calling for 85%.

-- Milwaukee Journal, 4/3/76

Yesterday Carter backed away from his suggestion that farmers settle for a price support level of 80% of parity. In an effort to blunt criticism from farmers, he said he could support a 90% figure. "I've always avoided any commitment to any figure. My unchanging attitude is to have price supports cover the costs of production. If it should be 90% or 87% or 83% or 80%, whatever it is, that's what I would support. I don't want to be tied to a specific percentage." Carter said he would have signed an 85% parity measure vetoed by President Ford.

--Milwaukee Sentinel, 3/31/76

*At Eau Claire, Mondale promised that Carter would not veto legislation designed to increase milk price supports to 85% of parity from the current 80%. "When we get in power, one of the first things we're going to do is introduce that 85% minimum dairy price support."

--Janesville Gazette, 8/28/76

This month you are feeling the full impact of President Ford's vetoes of legislation increasing price supports to 85% of parity. Manufactured milk prices have taken their biggest nosedive in history.....

If President Ford had not twice vetoed legislation raising price supports to 85% of parity, farmers would have had a floor price of \$8.77 per hundredweight rather than the \$8.26 floor which exists under the present 80% support level. Because of those vetoes, milk prices this month are 31¢ a hundredweight lower than they would have been under an 85% support level and are heading down toward \$8.26.

--Joint letter to "Dear Farmer:"
signed by Jimmy Carter, Gaylord Nelson
and Dave Obey, 10/25/76

(Mailed to 15,000 dairy farmers in
Obey's district) -- Capital Times, 11/22/76

I favor adequate milk price support to assure dairy farmers an adequate and reasonable profit. As President, I would have signed the bill President Ford vetoed raising supports to 85% parity. Such adjustments are needed to account for higher production costs. If such adjustments are not made, milk prices could rise even more in the coming months as more farmers become discouraged and cut production.

--Campaign Position Paper
Jimmy Carter on Dairy Farming
Pre-Convention #65

Date: March 16, 1977

MEMORANDUM

FOR ACTION:

The Vice President
Hamilton Jordan
Bob Lipshutz
Frank Moore
Jack Watson

FOR INFORMATION: Jody Powell

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Stu Eizenstat memo 3/16/77 re Dairy
Price Supports.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 4:00 P.M.

DAY: Thursday

DATE: March 17, 1977

ACTION REQUESTED:

☒ Your comments
Other:

STAFF RESPONSE:

☐ I concur.
Please note other comments below:

☒ No comment.

JP

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Date: March 16, 1977

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FOR ACTION:

The Vice President ✓
Hamilton Jordan
Bob Lipshutz
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Jack Watson

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TIME: 4:00 P.M.

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ACTION REQUESTED:

☒ Your comments
Other:

STAFF RESPONSE:

☒ I concur. ☐ No comment.
Please note other comments below:

I concur in the judgment of Stu and Bob Bergland that the \$9.00 price support should be established. Both Bob and I have talked with the dairy state representatives in the Congress. We've been advised that they could go along with the 83% level, but would be compelled to criticize sharply a decision to keep the support at 80% of parity. Because of the promises in the campaign, I think we must go to 83%.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

March 18, 1977

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER, JR. *HC*
SUBJECT: Dr. Brzezinski's Transportation

Per your request, attached is the memorandum from you to me concerning an automobile for Dr. Brzezinski. I have already informed Dr. Brzezinski of your decision and he was quite pleased. He did note, however, that on some days he would probably continue to walk to work which somewhat neutralizes the need for the automobile. You may want to discuss this with him.

*Hugh -
This replaces note
I gave Jbis
J*

Electrostatic Copy Made
for Presidential Reference

THE WHITE HOUSE

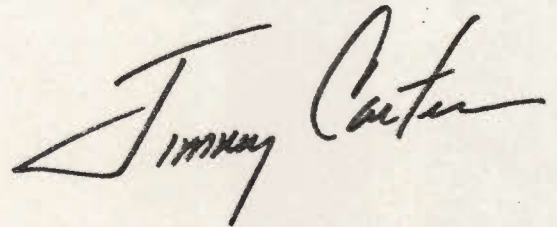
WASHINGTON

March 18, 1977

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: HUGH CARTER, JR.
FROM: THE PRESIDENT
SUBJECT: Dr. Brzezinski's Transportation

Effective immediately, and when requested by Dr. Zbigniew Brzezinski, let him have a White House automobile for portal-to-portal service. This service is provided on a special exception basis because Dr. Brzezinski is responsible for crisis management, is deeply involved in National Security matters and should have the protection and communication capability provided by a White House automobile. No other member of the White House staff is to be provided this service.

A handwritten signature in black ink, reading "Jimmy Carter". The signature is written in a cursive, flowing style. The first name "Jimmy" is written in a more compact, blocky cursive, while "Carter" is more elongated and fluid.

✓

THE WHITE HOUSE
WASHINGTON

March 18, 1977

Frank Moore -

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: Telephone Call to
Rep. Butler Derrick

THE WHITE HOUSE
WASHINGTON

ACTION	FYI
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ENROLLED BILL
	AGENCY BILL
	Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

	CAB DECISION
	EXECUTIVE ORDER
	Staffing comments should go to Doug Huron within 48 hours; due from Huron to Staff Secretary next day.

ACTION	FYI
	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING
	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	WELLS
	VOORDE

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN.

done J

CONGRESSIONAL TELEPHONE CALL

SEE ATTACHED LETTER

TO: Rep. Butler Derrick (D-S.C. 3)

DATE: Open

RECOMMENDED BY: Jim Free *J.F.*

PURPOSE: Thank Rep. Derrick for his support of the President's decision to delete funding of 19 water projects, including Richard B. Russell Dam and Lake.

BACKGROUND: Rep. Derrick is one of the few Members of Congress who is supporting the President on the water projects issue. This stand has not been an easy one for Rep. Derrick, and he was given a very rough time by the press in his last news conference.

TOPICS OF DISCUSSION: The story made the national news today.
1. Thank Rep. Derrick for his support of the President's position on the review of water projects and the deletion of funding for those not meeting certain criteria.
2. Thank Rep. Derrick also for his support of the President's decision to delete funding for the Richard B. Russell Dam and Lake, noting the President's appreciation of the fact that this has not been an easy position for him to take.

March 18, 1977

Date of submission: _____

APPROVED BY FRANK MOORE

FM.

NOTE: Congressman Derrick is in South Carolina and is in the process of moving. If you agree to make this call, we will have to coordinate with the Congressman's office to ensure that you can reach him.

**Electrostatic Copy Made
for Preservation Purposes**

BUTLER DERRICK
3D DISTRICT, SOUTH CAROLINA

130 CANNON HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-5301

COMMITTEES:
BUDGET
BANKING, FINANCE AND
URBAN AFFAIRS

THE PRESIDENT HAS SEEN.

Congress of the United States
House of Representatives
Washington, D.C. 20515

March 17, 1977

JOHN D. GREGORY
ADMINISTRATIVE ASSISTANT

DISTRICT OFFICES:
154 LAURENS STREET NORTH WEST
AIKEN, SOUTH CAROLINA 29801
(803) 649-7155

POST OFFICE BOX 4126
ANDERSON, SOUTH CAROLINA 29622
(803) 224-7401

124 FEDERAL BUILDING
GREENWOOD, SOUTH CAROLINA 29646
(803) 223-8251

The Honorable Jimmy Carter
President
The United States of America
The White House
Washington, D. C. 20500

Dear Mr. President,

Your efforts in reducing federal spending and balancing the budget have my full support. Our economic strength and the ultimate maintenance of the United States as the leader of the free world, depend upon the accomplishment of these goals. The American people share your determination.

I also share your belief that these goals are realistic, but only if we begin now. Wasteful and unnecessary expenditure of the federal dollar must be curtailed, if not completely halted. Adding debt, year after year, to be paid for by future generations of Americans must stop. As a Member of the House, I find that the problem of denying funds is not a complex or difficult problem in areas not affecting one's own constituents.

As you are aware the Richard B. Russell Dam and Lake, Savannah River, is located in my Congressional District. Since being elected to the Congress, I have spent numerous hours examining the various aspects of the project; assessing the environmental impact; and attempting to resolve the conflicting views as to the economic and energy benefits to be derived. At the time this project was authorized by the Congress, certain original assumptions were made relative to the projected cost-benefit ratio. My own research and analysis, based upon these economic assumptions and forecasts, have resulted in a favorable cost-benefit ratio. However, these assumptions have been questioned.

.../...

COUNTIES:
ABBEVILLE AIKEN ANDERSON EDGEFIELD GREENWOOD MCCORMICK NEWBERRY OCONEE PICKENS SALUDA

THIS STATIONERY PRINTED ON PAPER MADE WITH RECYCLED FIBERS

The Honorable Jimmy Carter
March 17, 1977

Page Two.

Therefore, I support your decision to delete funding of the nineteen water projects, including Richard B. Russell Dam and Lake, from the fiscal year 1978 budget as enumerated in your announcement of February 21st. I also encourage you to employ the provisions of the Budget Control and Impoundment Act (P.L. 93-344) to suspend current appropriations and to halt the ongoing construction at the Richard B. Russell site.

It is my firm desire to see a final resolution of the controversy surrounding this project, and until such a resolution is made, I will not support the inclusion in the federal budget of any additional funds for the Richard B. Russell Dam and Lake.

Your decision to conduct an internal review is clearly a judicious and positive act. The opportunity to either prove or disprove the worth of this project should not be rejected by the Congress, and I hereby pledge to you my full cooperation.

I urge you to utilize the expertise of your office to deliberately, methodically, and objectively ascertain the economic, environmental and energy benefits of Richard B. Russell. Section 80 (c) of the Water Resources Development Act states that the President has the authority to:

"make a full and complete investigation and study of principles and standards for planning and evaluating water and related resources projects. Such investigation and study shall include, but not be limited to, consideration of enhancing regional economic development, the quality of the total environment including its protection and improvement, the well being of the people of the United States, and the national economic development, as objectives to be included in federally financed water and related resources projects and in the evaluation of costs and benefits attributable to such projects, as intended in section 209 of the Flood Control Act of 1970 (84 Stats. 1818, 1929), the interest rate formula to be used in evaluating and discounting future benefits for such projects, and appropriate Federal and non-Federal cost sharing for such projects."

.../...

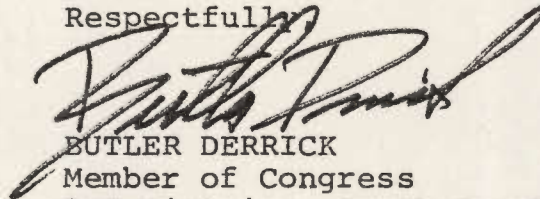
The Honorable Jimmy Carter
March 17, 1977

Page Three.

The citizens of the Third Congressional District of South Carolina do not wish a project that is not sound either environmentally or financially.

During our meeting last week, you requested that you be met halfway. You may consider that request honored, as to the Richard B. Russell Dam. I now join you in fulfilling our responsibility as elected servants, for to do less would be a disservice and breach of our offices.

Respectfully,

A handwritten signature in dark ink, appearing to read "Butler Derrick", is written over the typed name.

BUTLER DERRICK

Member of Congress

3rd District, South Carolina

D/t

✓
THE WHITE HOUSE
WASHINGTON

March 18, 1977

Jim McIntyre for
Bert Lance

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

Re: Proposed 1977 Supplemental
Appropriations Requests and
1978 Budget Amendments

THE WHITE HOUSE
WASHINGTON

ACTION	FYI
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON

Handwritten:
Handwritten
copy to
Jim McIntyre
for Bert
Hamel

FOR STAFFING
FOR INFORMATION
✓ FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND

ENROLLED BILL
AGENCY BILL
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	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING
	KRAFT
✓	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	WELLS
	VOORDE

THE ~~WHITE~~^W HOUSE
WASHINGTON

Mr. President:

Stu concurs with Lance.

Rick

THE PRESIDENT HAS SEEN.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

March 16, 1977

SIGNATURE

MEMORANDUM FOR: THE PRESIDENT
FROM: Bert Lance *BL*
SUBJECT: Proposed 1977 Supplemental Appropriations
Requests and 1978 Budget Amendments

Attached for your signature are proposals for fiscal year 1977 supplemental appropriations and fiscal year 1978 budget amendments that were not included in your revised February Budget. Such proposals arise from time-to-time throughout the fiscal year and may be for a variety of reasons. The Appropriations Committees will consider requests you support on the merits as long as they can fit them into their timetable for review of appropriations requests.

A fact sheet explaining and justifying each request is attached to this memorandum.

The House will vote on 1977 supplemental appropriations on Wednesday, March 16, and the Senate is scheduled to act shortly thereafter. There is no assurance that the Congress will consider any other 1977 requests following their action on the 1977 Supplemental Appropriations Bill currently under review.

Recommendation

To assure consideration of these requests, the letter transmitting these proposals should be signed no later than Friday morning, March 18.

Attachments

WVH J.C. KILL

TECHNOLOGY ASSESSMENT BOARD

EDWARD M. KENNEDY, MASS., CHAIRMAN
MARJORIE S. HOLT, MD., VICE CHAIRMAN

ERNEST F. HOLLINGS, S.C.
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RICHARD S. SCHWEIKER, PA.
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MORRIS K. UDALL, ARIZ.
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CLARENCE E. MILLER, OHIO
LARRY WINN, JR., KANS.

EMILIO Q. DADDARIO

Congress of the United States

OFFICE OF TECHNOLOGY ASSESSMENT

WASHINGTON, D.C. 20510

EMILIO Q. DADDARIO

DIRECTOR

DANIEL V. DE SIMONE

DEPUTY DIRECTOR

FEB 24 1977

The Honorable Bert Lance
Director
Office of Management and Budget
Executive Office of the President
Washington, D.C. 20503

ATTENTION: Ms. Chris Aughney

Dear Mr. Lance:

I am requesting that you transmit to the Congress amendments to our current request for FY 1977 supplemental funds and to our FY 1978 budget estimate.

The FY 1977 supplemental request should be increased to include:

- o For rental of office space in the District of Columbia and the one-time moving cost involved--\$725,000.

When this item is added to the original FY 1977 supplemental request of \$729,000, it raises the total request to \$1,454,000.

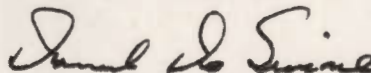
Also in this connection, the FY 1978 budget estimates for the Office of Technology Assessment should be amended to include the following item which was not included in the original request:

- o For the continued rental of office space in the District of Columbia and related expense--\$500,000.

When this item is added to the original request of \$8,500,000, the total FY 1978 request for funds becomes \$9,000,000.

Attachments explain the need for each of the above items.

Sincerely yours,



Daniel V. De Simone
Acting Director

Attachments

LEGISLATIVE BRANCH
Office of Technology Assessment

Purpose/Discussion

This is a request for a 1977 supplemental appropriation of \$725,000 and a 1978 budget amendment for \$500,000 for the Office of Technology Assessment. Since these requests are for the legislative branch they are transmitted to the Congress without review or change.

Outlay Impact

These requests will increase legislative branch outlays by \$725,000 in fiscal year 1977 and \$500,000 in fiscal year 1978 over estimates contained in the 1978 budget.

Recommendation

That you sign the letter transmitting these requests to the Congress.

*ok because
legislative*

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for Preservation Purposes**

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS

Purpose / Discussion

These proposed reductions for fiscal year 1977 and 1978 reflect the fact that Chairman Schultze is no longer serving as co-chairman of the Economic Policy Group. This relieves the council of the responsibility of providing the staff and other resources to support Mr. Schultze in this function.

Outlay Impact

These proposals will reduce outlays by \$12,000 in fiscal year 1977 and \$91,000 in fiscal year 1978.

Recommendation

That you sign the letter transmitting this request to the Congress.

*Reductions
ok
J*

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for Preservation Purposes

EXECUTIVE OFFICE OF THE PRESIDENT
Office of the Special Representative
for Trade Negotiations

Purpose/Discussion


This is a request for an amendment to the supplemental request for the Office of the Special Representative for Trade Negotiations in the amount of \$300,000 for 1977. Added to the \$120,000 supplemental already pending before the Congress, this would increase the Special Trade Representative's 1977 budget by 18%, from \$2.3 million currently appropriated to \$2.7 million. The request is in support of Robert Strauss' plans to inject the Special Trade Representative and his office more heavily into the conduct of the Administration's international economic affairs.

Outlay Impact

This request will increase Federal outlays by \$290,000 in fiscal year 1977 and \$10,000 in fiscal year 1978 over estimates contained in the 1978 budget.

Recommendation

That you sign the letter transmitting these requests to the Congress.

*See no reason
for this*


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for Preservation Purposes**

FUNDS APPROPRIATED TO THE PRESIDENT

Foreign Assistance

Purpose/Discussion

This is a request for a 1977 supplemental appropriation of \$9,550,000 to purchase from the Department of the Treasury U.S.-owned Egyptian pounds for the purpose of leasing facilities for the Agency for International Development in Cairo, Egypt, pending the construction of permanent facilities scheduled for completion in 1981. By entering into long-term (3-5 year) leases now, the U.S. Government will save considerable amounts because of the high inflation rates in the Egyptian economy.

Outlay Impact

This request will not increase total budget outlays, since this proposal will only involve the expenditure of Public Law 480-generated local currencies which are excess to our needs.

Recommendation

That you sign the letter transmitting this request to the Congress.

A handwritten signature in dark ink, consisting of the letters 'ok' above a stylized 'J'.

**Electrostatic Copy Made
for Preservation Purposes**

DEPARTMENT OF COMMERCE

Economic Development Administration

Purpose

This request for a 1977 supplemental appropriation of \$20,000,000 for the Economic Development Administration's regular public works program is to partially restore the \$30,180,000 of previously appropriated funds which were reprogrammed for use in support of permanent sports facilities for the 1980 Winter Olympic Games at Lake Placid, New York. This is consistent with your decision regarding Federal assistance for the 1980 Winter Olympics.

Outlay Impact

This request will increase the Department of Commerce's estimated outlays by \$600,000 in fiscal year 1977 and \$6,000,000 in fiscal year 1978 above the levels estimated in the 1978 Budget Revisions.

Recommendation

That you sign the letter transmitting this request to the Congress.

*I thought we
already decided this.
Why an increase?*

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for Preservation Purposes

DEPARTMENT OF THE INTERIOR
SOUTHWESTERN POWER ADMINISTRATION

Purpose/Discussion

This proposed supplemental appropriation will provide additional funds over and above a recent supplemental appropriation of \$6.4 million to enable the Southwestern Power Administration to continue to purchase power to make up the shortfall in hydroelectric power furnished to its customers. When the first supplemental was requested it was assumed that water conditions would improve; however, the drought in Oklahoma, Missouri and Arkansas persists. The Department now estimates that if the present conditions continue, the supplemental appropriation of \$6,400,000 will be depleted by the middle of May. As a result, the Department is now requesting a second supplemental of \$13,800,000 to cover purchases of power for the remainder of the fiscal year.

Outlay Impact

This request will increase outlays by \$13.8 M in 1977 over previous estimates.

Recommendation

That you sign the letter transmitting this request to the Congress.

*ok, but
Need for this should
be carefully monitored
J*

Electrostatic Copy Made
for Preservation Purposes

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

Facilities and Equipment (Airport and Airway Trust Fund)

Purpose/Discussion

This is a request for a 1977 appropriation language change to extend the availability of the fiscal year 1975 appropriation for two additional years until fiscal 1979. Funds affected by this extension are estimated to be about \$9,000,000, a large portion of which are associated with the New York Common Instrument Flight Rules control facility which is expected to be operational in 1980. Should these funds be allowed to lapse at the end of 1977, an equal amount would be requested in the 1979 budget.

Outlay Impact

This proposal will not affect outlay totals contained in the fiscal year 1978 budget.

Recommendation

That you sign the letter transmitting this request to the Congress.

sk
J

**Electrostatic Copy Made
for Preservation Purposes**

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION
LIMITATION ON ADMINISTRATIVE EXPENSES

Purpose/Discussion

This is a request for a 1977 appropriation language change to increase the limitation on administrative expenses for the Corporation because of the executive pay increase. This adjustment does not reflect an increase in total budget resources but simply a change in the amounts allocated between administrative expenses and capital accounts.

Outlay Impact

This proposal will not affect outlay totals contained in the fiscal year 1978 Budget.

Recommendation

That you sign the letter transmitting this request to the Congress.

A handwritten signature in dark ink, consisting of a stylized 'J' with a horizontal bar extending to the left, followed by a vertical stroke and a small hook at the bottom.

**Electrostatic Copy Made
for Preservation Purposes**

OTHER INDEPENDENT AGENCIES
CIVIL AERONAUTICS BOARD

Salaries and Expenses

Purpose/Discussion

This request for \$246,000 is to provide additional resources for the Civil Aeronautics Board to fund recently approved executive pay increases. The Civil Aeronautics Board is a relatively small organization heavily staffed with attorneys, economists, accountants and other professional staff affected by the executive pay raise. The requested supplemental appropriation is necessary to permit the Civil Aeronautics Board to maintain staffing at levels presently authorized.

Outlay Impact

Outlays will increase by \$246,000 in fiscal year 1977.

Recommendation

That you sign the letter transmitting this request to Congress.

*Do we have to do this
separately for every govt
agency?*

J

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for Preservation Purposes

OTHER INDEPENDENT AGENCIES

COMMITTEE FOR THE PURCHASE FROM THE BLIND
AND OTHER SEVERELY HANDICAPPEDPurpose/Discussion

This \$75,000 supplemental request would enable the Committee to develop an environmental impact statement in connection with a proposed new endeavor.

The Committee's purpose is to increase employment opportunities for blind and other severely handicapped persons and, whenever possible, to prepare these individuals to engage in normal, competitive employment. A proposal that a workshop under the Committee's jurisdiction begin the production--and sale to the Government--of wiping rags has met opposition from the National Association of Wiping Rag Manufacturers. This group, representing private industry, has accused the Committee for the Purchase from the Blind and Other Severely Handicapped of encroaching into its territory and has alleged that the Committee's proposal could have major adverse environmental effects.

The Council on Environmental Quality and the Environmental Protection Agency agree that the statutory provisions of the National Environmental Policy Act would require the Committee to develop an environmental impact statement in connection with its proposal.

Outlay Impact

This proposal will increase outlays by \$15,000 in fiscal year 1977 and by \$60,000 in fiscal year 1978.

Recommendation

That you sign the letter transmitting this proposal to the Congress.

*Sounds silly, but for
the blind - ok.
J*

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for Preservation Purposes

OTHER INDEPENDENT AGENCIES
APPALACHIAN REGIONAL COMMISSION

Purpose/Discussion

This is a request for a 1977 supplemental appropriation of \$15,000 and a 1978 budget amendment for \$30,000 for the Appalachian Regional Commission to cover unabsorbable costs of the executive pay raise.

Outlay Impact

These requests will increase outlays by \$15,000 in fiscal year 1977 and \$30,000 in fiscal year 1978 over estimates contained in the 1978 budget.

RECOMMENDATION

That you sign the letter transmitting these requests to the Congress.

Same as CAB

**Electrostatic Copy Made
for Preservation Purposes**

OTHER INDEPENDENT AGENCIES

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

Purpose/Discussion

This is a request for a 1977 supplemental appropriation of \$177,000 for the Occupational Safety and Health Review Commission to cover unabsorbable costs of the executive pay raise.

Outlay Impact

The request will increase outlays in 1977 by \$177,000 over estimates contained in the 1978 budget.

RECOMMENDATION

That you sign the letter transmitting the request to the Congress.

Same as CAS

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for Preservation

THE WHITE HOUSE

WASHINGTON

Date: March 16, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat/Bert Carp *no comment*
Frank Moore
Jack Watson *no comment*

FOR INFORMATION: The Vice President
Bob Lipshutz

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Proposed 1977 Supplemental Appropriations
Requests and 1978 Budget Amendments.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 4:00 P.M.

DAY: Thursday

DATE: March 17, 1977

ACTION REQUESTED:

☒ Your comments
Other:

STAFF RESPONSE:

☐ I concur. ☐ No comment.
Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Done: Proposed 1977

Supplemental Appointments
 Request 1978 Budget
 THE WHITE HOUSE
 WASHINGTON

ACTION	FYI	
	X	MONDALE
		COSTANZA
X		EIZENSTAT
		JORDAN
	X	LIPSHUTZ
X		MOORE
		POWELL
X		WATSON

X	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ENROLLED BILL
	AGENCY BILL
	Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

	CAB DECISION
	EXECUTIVE ORDER
	Staffing comments should go to Doug Huron within 48 hours; due from Huron to Staff Secretary next day.

due
4:00 PM
Thursday

ACTION	FYI	
		ARAGON
		BOURNE
		BRZEZINSKI
		BUTLER
		CARP
		H. CARTER
		CLOUGH
		FALLOWS
		FIRST LADY
		GAMMILL
		HARDEN
		HOYT
		HUTCHESON
		JAGODA
		KING
		KRAFT
		LANCE
		LINDER
		MITCHELL
		POSTON
		PRESS
		B. RAINWATER
		SCHLESINGER
		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		WELLS
		VOORDE

ASSISTANT DIRECTOR FOR BUDGET REVIEW
OFFICE OF MANAGEMENT AND BUDGET

3/15/77

PLEASE NOTE:

In order for these proposals to be considered with the 1977 Supplemental Appropriations Bill, this package should be transmitted to the Congress no later than Friday, March 18.

Dale McOmber
Dale McOmber

MR.

March 16, 1977

FOR ACTION:

Stu Eizenstat/Bert Carp
Frank Moore
Jack Watson

FOR INFORMATION: The Vice President
Bob Lipshutz

195

*xc Carp
Ginsburg*

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Proposed 1977 Supplemental Appropriations
Requests and 1978 Budget Amendments.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 4:00 P.M.

DAY: Thursday

DATE: March 17, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☒ I concur.

☐ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

MEMORANDUM

THIS MEMORANDUM WAS SENT.

THE WHITE HOUSE

WASHINGTON

INFORMATION

18 March 1977

TO: THE PRESIDENT
FROM: RICK HUTCHESON *RH*
SUBJECT: Memoranda Not Submitted

1. LETTER FROM REV. THEODORE HESBURGH proposing Leonard Woodcock as Ambassador to the Soviet Union. ✓
2. WATSON MEMO informing you that he has copies of the transition briefing books for various departments as updated through the transition period (21 volumes). He will ensure that complete sets are maintained for the Archives. He offers to get copies to you if you wish to see them. *ok* *no*
3. BRZEZINSKI MEMO regarding the Stanton Report (not submitted, as you have already decided for Gronouski). Brzezinski says that Stanton's Report advocates a fragmenting of US information efforts, making US information programs harder for the government to manage and less amenable to White House influence. He adds that opposition to Stanton's ideas has been widespread, and that Stanton as BIB Chairman would be caught up in controversy from the start, making it very difficult to get real improvements in US broadcasting and other information efforts. *C*

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MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

INFORMATION

18 March 1977

TO:

THE PRESIDENT

FROM:

RICK HUTCHESON *RH*

SUBJECT:

Memoranda Not Submitted

1. LETTER FROM REV. THEODORE HESBURGH proposing Leonard Woodcock as Ambassador to the Soviet Union. ✓
2. WATSON MEMO informing you that he has copies of the transition briefing books for various departments as updated through the transition period (21 volumes). He will ensure that complete sets are maintained for the Archives. He offers to get copies to you if you wish to see them. *ok* *no*
3. BRZEZINSKI MEMO regarding the Stanton Report (not submitted, as you have already decided for Gronouski). Brzezinski says that Stanton's Report advocates a fragmenting of US information efforts, making US information programs harder for the government to manage and less amenable to White House influence. He adds that opposition to Stanton's ideas has been widespread, and that Stanton as BIB Chairman would be caught up in controversy from the start, making it very difficult to get real improvements in US broadcasting and other information efforts. *C*

16
University of Notre Dame
Notre Dame, Indiana 46556

Office of the President

March 8, 1977

Cable Address "Bulac"

Mr. Hamilton Jordan
The White House
Washington, D. C.

Dear Hamilton:

The enclosed letter came in today and I'm inclined to think it might be a unique and fruitful idea, which I am happy to endorse. I trust you can bring it to the President's attention at some appropriate time.

I hope you're not letting the work wear you down too much. Remember what the President said about getting home nights.

All best wishes.

Cordially yours,

Fr. Fred H. ...

(Rev.) Theodore M. Hesburgh, C.S.C.
President

*HMT
FYI*

*Exile -
DA SUM TO
Nepun*

AD

RICK

*Summing
two letters
at set to
Pro. for his
to.*

WJ





CLAREMONT GRADUATE SCHOOL

CLAREMONT, CALIFORNIA 91711

Program in International Relations

March 3, 1977

The Rev. Theodore M. Hesburgh, C.S.C.
President, University of Notre Dame
Notre Dame, Indiana 46556

Dear Ted:

I have proposed Leonard Woodcock as ambassador to the Soviet Union, and he is very interested. Would you feel you could endorse this suggestion with a letter to Carter? The idea of a head of a large labor union as the ambassador to the Soviet Union is very intriguing. Leonard, as you probably know, is a remarkably able man, and I think he would make a magnificent appointment to this post.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Fred'.

Fred Warner Neal

FWN:mm

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

INFORMATION

18 March 1977

TO:

THE PRESIDENT *RH*

FROM:

RICK HUTCHESON *RH*

SUBJECT:

Memoranda Not Submitted

1. LETTER FROM REV. THEODORE HESBURGH proposing Leonard Woodcock as Ambassador to the Soviet Union. ✓
2. WATSON MEMO informing you that he has copies of the transition briefing books for various departments as updated through the transition period (21 volumes). He will ensure that complete sets are maintained for the Archives. He offers to get copies to you if you wish to see them. *ok* *no*
3. BRZEZINSKI MEMO regarding the Stanton Report (not submitted, as you have already decided for Gronouski). Brzezinski says that Stanton's Report advocates a fragmenting of US information efforts, making US information programs harder for the government to manage and less amenable to White House influence. He adds that opposition to Stanton's ideas has been widespread, and that Stanton as BIB Chairman would be caught up in controversy from the start, making it very difficult to get real improvements in US broadcasting and other information efforts. *C*

THE WHITE HOUSE
WASHINGTON

March 23, 1977

Jack Watson

Briefing Books -- Your
Memorandum of March 12

The President approved your recommendation that the transition briefing books for various departments through the transition period be maintained for the Archives. He does not require copies at this time.

Rick Hutcheson



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

March 16, 1977

SIGNATURE

MEMORANDUM FOR:

THE PRESIDENT

FROM:

Bert Lance

SUBJECT:

Proposed 1977 Supplemental Appropriations
Requests and 1978 Budget Amendments

Attached for your signature are proposals for fiscal year 1977 supplemental appropriations and fiscal year 1978 budget amendments that were not included in your revised February Budget. Such proposals arise from time-to-time throughout the fiscal year and may be for a variety of reasons. The Appropriations Committees will consider requests you support on the merits as long as they can fit them into their timetable for review of appropriations requests.

A fact sheet explaining and justifying each request is attached to this memorandum.

The House will vote on 1977 supplemental appropriations on Wednesday, March 16, and the Senate is scheduled to act shortly thereafter. There is no assurance that the Congress will consider any other 1977 requests following their action on the 1977 Supplemental Appropriations Bill currently under review.

Recommendation

To assure consideration of these requests, the letter transmitting these proposals should be signed no later than Friday morning, March 18.

Attachments

LEGISLATIVE BRANCH

Office of Technology Assessment

Purpose/Discussion

This is a request for a 1977 supplemental appropriation of \$725,000 and a 1978 budget amendment for \$500,000 for the Office of Technology Assessment. Since these requests are for the legislative branch they are transmitted to the Congress without review or change.

Outlay Impact

These requests will increase legislative branch outlays by \$725,000 in fiscal year 1977 and \$500,000 in fiscal year 1978 over estimates contained in the 1978 budget.

Recommendation

That you sign the letter transmitting these requests to the Congress.

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS

Purpose / Discussion

These proposed reductions for fiscal year 1977 and 1978 reflect the fact that Chairman Schultze is no longer serving as co-chairman of the Economic Policy Group. This relieves the council of the responsibility of providing the staff and other resources to support Mr. Schultze in this function.

Outlay Impact

These proposals will reduce outlays by \$12,000 in fiscal year 1977 and \$91,000 in fiscal year 1978.

Recommendation

That you sign the letter transmitting this request to the Congress.

EXECUTIVE OFFICE OF THE PRESIDENT

Office of the Special Representative
for Trade NegotiationsPurpose/Discussion

This is a request for an amendment to the supplemental request for the Office of the Special Representative for Trade Negotiations in the amount of \$300,000 for 1977. Added to the \$120,000 supplemental already pending before the Congress, this would increase the Special Trade Representative's 1977 budget by 18%, from \$2.3 million currently appropriated to \$2.7 million. The request is in support of Robert Strauss' plans to inject the Special Trade Representative and his office more heavily into the conduct of the Administration's international economic affairs.

Outlay Impact

This request will increase Federal outlays by \$290,000 in fiscal year 1977 and \$10,000 in fiscal year 1978 over estimates contained in the 1978 budget.

Recommendation

That you sign the letter transmitting these requests to the Congress.

FUNDS APPROPRIATED TO THE PRESIDENT

Foreign Assistance

Purpose/Discussion

This is a request for a 1977 supplemental appropriation of \$9,550,000 to purchase from the Department of the Treasury U.S.-owned Egyptian pounds for the purpose of leasing facilities for the Agency for International Development in Cairo, Egypt, pending the construction of permanent facilities scheduled for completion in 1981. By entering into long-term (3-5 year) leases now, the U.S. Government will save considerable amounts because of the high inflation rates in the Egyptian economy.

Outlay Impact

This request will not increase total budget outlays, since this proposal will only involve the expenditure of Public Law 480-generated local currencies which are excess to our needs.

Recommendation

That you sign the letter transmitting this request to the Congress.

DEPARTMENT OF COMMERCE
Economic Development Administration

Purpose

This request for a 1977 supplemental appropriation of \$20,000,000 for the Economic Development Administration's regular public works program is to partially restore the \$30,180,000 of previously appropriated funds which were reprogrammed for use in support of permanent sports facilities for the 1980 Winter Olympic Games at Lake Placid, New York. This is consistent with your decision regarding Federal assistance for the 1980 Winter Olympics.

Outlay Impact

This request will increase the Department of Commerce's estimated outlays by \$600,000 in fiscal year 1977 and \$6,000,000 in fiscal year 1978 above the levels estimated in the 1978 Budget Revisions.

Recommendation

That you sign the letter transmitting this request to the Congress.

DEPARTMENT OF THE INTERIOR
SOUTHWESTERN POWER ADMINISTRATION

Purpose/Discussion

This proposed supplemental appropriation will provide additional funds over and above a recent supplemental appropriation of \$6.4 million to enable the Southwestern Power Administration to continue to purchase power to make up the shortfall in hydroelectric power furnished to its customers. When the first supplemental was requested it was assumed that water conditions would improve; however, the drought in Oklahoma, Missouri and Arkansas persists. The Department now estimates that if the present conditions continue, the supplemental appropriation of \$6,400,000 will be depleted by the middle of May. As a result, the Department is now requesting a second supplemental of \$13,800,000 to cover purchases of power for the remainder of the fiscal year.

Outlay Impact

This request will increase outlays by \$13.8 M in 1977 over previous estimates.

Recommendation

That you sign the letter transmitting this request to the Congress.

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

Facilities and Equipment (Airport and Airway Trust Fund)

Purpose/Discussion

This is a request for a 1977 appropriation language change to extend the availability of the fiscal year 1975 appropriation for two additional years until fiscal 1979. Funds affected by this extension are estimated to be about \$9,000,000, a large portion of which are associated with the New York Common Instrument Flight Rules control facility which is expected to be operational in 1980. Should these funds be allowed to lapse at the end of 1977, an equal amount would be requested in the 1979 budget.

Outlay Impact

This proposal will not affect outlay totals contained in the fiscal year 1978 budget.

Recommendation

That you sign the letter transmitting this request to the Congress.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION
LIMITATION ON ADMINISTRATIVE EXPENSES

Purpose/Discussion

This is a request for a 1977 appropriation language change to increase the limitation on administrative expenses for the Corporation because of the executive pay increase. This adjustment does not reflect an increase in total budget resources but simply a change in the amounts allocated between administrative expenses and capital accounts.

Outlay Impact

This proposal will not affect outlay totals contained in the fiscal year 1978 Budget.

Recommendation

That you sign the letter transmitting this request to the Congress.

OTHER INDEPENDENT AGENCIES
CIVIL AERONAUTICS BOARD

Salaries and Expenses

Purpose/Discussion

This request for \$246,000 is to provide additional resources for the Civil Aeronautics Board to fund recently approved executive pay increases. The Civil Aeronautics Board is a relatively small organization heavily staffed with attorneys, economists, accountants and other professional staff affected by the executive pay raise. The requested supplemental appropriation is necessary to permit the Civil Aeronautics Board to maintain staffing at levels presently authorized.

Outlay Impact

Outlays will increase by \$246,000 in fiscal year 1977.

Recommendation

That you sign the letter transmitting this request to Congress.

OTHER INDEPENDENT AGENCIES

COMMITTEE FOR THE PURCHASE FROM THE BLIND
AND OTHER SEVERELY HANDICAPPEDPurpose/Discussion

This \$75,000 supplemental request would enable the Committee to develop an environmental impact statement in connection with a proposed new endeavor.

The Committee's purpose is to increase employment opportunities for blind and other severely handicapped persons and, whenever possible, to prepare these individuals to engage in normal, competitive employment. A proposal that a workshop under the Committee's jurisdiction begin the production--and sale to the Government--of wiping rags has met opposition from the National Association of Wiping Rag Manufacturers. This group, representing private industry, has accused the Committee for the Purchase from the Blind and Other Severely Handicapped of encroaching into its territory and has alleged that the Committee's proposal could have major adverse environmental effects.

The Council on Environmental Quality and the Environmental Protection Agency agree that the statutory provisions of the National Environmental Policy Act would require the Committee to develop an environmental impact statement in connection with its proposal.

Outlay Impact

This proposal will increase outlays by \$15,000 in fiscal year 1977 and by \$60,000 in fiscal year 1978.

Recommendation

That you sign the letter transmitting this proposal to the Congress.

OTHER INDEPENDENT AGENCIES
APPALACHIAN REGIONAL COMMISSION

Purpose/Discussion

This is a request for a 1977 supplemental appropriation of \$15,000 and a 1978 budget amendment for \$30,000 for the Appalachian Regional Commission to cover unabsorbable costs of the executive pay raise.

Outlay Impact

These requests will increase outlays by \$15,000 in fiscal year 1977 and \$30,000 in fiscal year 1978 over estimates contained in the 1978 budget.

RECOMMENDATION

That you sign the letter transmitting these requests to the Congress.

OTHER INDEPENDENT AGENCIES

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

Purpose/Discussion

This is a request for a 1977 supplemental appropriation of \$177,000 for the Occupational Safety and Health Review Commission to cover unabsorbable costs of the executive pay raise.

Outlay Impact

The request will increase outlays in 1977 by \$177,000 over estimates contained in the 1978 budget.

RECOMMENDATION

That you sign the letter transmitting the request to the Congress.

THE WHITE HOUSE

WASHINGTON

The President

of the Senate

Sir:

I ask the Congress to consider proposed supplemental appropriations for the fiscal year 1977 in the amount of \$44,876,000 and amendments to the request for fiscal year 1978 appropriations in the amount of \$439,000.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Respectfully,

X _____

Enclosure



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

Estimate NO. _____
95th Congress, 1st
Session

The President

The White House

Sir:

I have the honor to submit for your consideration proposed supplemental appropriations for the fiscal year 1977 in the amount of \$44,876,000 and amendments to the request for appropriations for the fiscal year 1978 in the amount of \$439,000. The details of these proposals are contained in the enclosure to this letter.

I have carefully reviewed the proposals for appropriations contained in this document and am satisfied that these requests are necessary at this time. I recommend, therefore, that these proposals be transmitted to the Congress.

Respectfully,

Bert Lance
Director

Enclosure

LEGISLATIVE BRANCH
OFFICE OF TECHNOLOGY ASSESSMENT
Salaries and Expenses

1978 budget appendix page	Heading	1977 supplemental request pending	1977 amendment	1977 revised request
862	Salaries and expenses	\$729,000	\$725,000	\$1,454,000

1978 budget appendix page	Heading	1978 request pending	1978 amendment	1978 revised request
40	Salaries and expenses	\$8,500,000	\$500,000	\$9,000,000

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL OF ECONOMIC ADVISERS

1978 budget appendix page	Heading	1977 supple- mental request pending (H.Doc. 95-89)	1977 proposed amendment	1977 revised request
57	Salaries and expenses	\$167,000	-\$12,000	\$155,000

1978 budget appendix page	Heading	1978 budget request	1978 amendment pending (H.Doc. 95-93)	1978 proposed amendment	1978 revised request
57	Salaries and expenses	\$1,841,000	\$245,000	-\$91,000	\$1,995,000

These revised requests reflect a reduced need for funds since the Council of Economic Advisors will not be supporting the Economic Policy Group.

EXECUTIVE OFFICE OF THE PRESIDENT
Office of the Special Representative
For Trade Negotiations

1978 Budget Appendix Page	Heading	1977 Supplemental Request Pending	1977 Amendment	1977 Revised Request
863	Salaries and expenses (In the appropriation language under the above heading delete "\$120,000" and insert in lieu thereof \$420,000: provided, that not to exceed \$14,000 of this amount shall be available for official recep- tion and represen- tation expenses.)	\$120,000	\$300,000	\$420,000

The proposed amendment to the supplemental for the Office of the Special Representative for Trade Negotiations is necessary to enable the Office better to carry out its function mandated by the Trade Act of 1974.

FUNDS APPROPRIATED TO THE PRESIDENT

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT
(SPECIAL FOREIGN CURRENCY PROGRAM)

For payments in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States as authorized by the Foreign Assistance Act of 1961, as amended, to be credited to and expended under the appropriation account for "Operating expenses of the Agency for International Development," to remain available until expended, \$9,550,000.

The proposed supplemental appropriation would provide for the leasing of residential and office buildings in Cairo, Egypt for the Agency for International Development pending the construction of permanent facilities which are to be completed in 1981. The funds are needed at this time to permit the U.S. Government to enter into multi-year leases which will effect cost savings because of the high rates of inflation in the Egyptian economy.

DEPARTMENT OF COMMERCE
ECONOMIC DEVELOPMENT ADMINISTRATION

Economic Development Assistance Programs

For an additional amount for "Economic development assistance programs", \$20,000,000.

This supplemental request is to provide additional public works program funding in recognition of program funds previously used in support of the 1980 Winter Olympic Games at Lake Placid, New York.

DEPARTMENT OF THE INTERIOR

SOUTHWESTERN POWER ADMINISTRATION
Operation and Maintenance

For an additional amount for "Operation and maintenance", \$13,800,000.

This proposed supplemental appropriation will enable the Southwestern Power Administration to purchase additional thermal generated electric power to make up the shortfall in the amount of power generated at the Corps of Engineers' hydroelectric power facilities located in Oklahoma, Missouri and Arkansas. This shortfall is the result of a severe drought which has existed in this area since July 1976. This power is supplied to municipalities, cooperatives, and other customers. This drought has reduced the flow into the Corps' reservoirs to such an extent that only 20% of the normal amount of hydroelectric power can be generated by these facilities. If the present drought conditions persist the most recent supplemental appropriation of \$6,400,000 for the purchase of power will be exhausted by the middle of May, and the \$13,800,000 will be needed for the balance of the fiscal year. Unless additional funds are made available, power shortages and blackouts may occur in the areas served, causing severe economic and social dislocations.

DEPARTMENT OF TRANSPORTATION

FEDERAL AVIATION ADMINISTRATION

Facilities and Equipment (Airport and Airway Trust Fund)

Notwithstanding any other provision of law, the funds appropriated for the Federal Aviation Administration by Public Law 93-391 in the appropriation "Facilities and Equipment (Airport and Airway Trust Fund)" shall remain available until September 30, 1979.

This appropriation language change would extend the availability of the fiscal year 1975 facilities and equipment appropriation for two additional years until fiscal year 1979. Such an extension would allow the Federal Aviation Administration to obligate all remaining funds, estimated to be about \$9,000,000, and to complete the installation of the air navigation facilities/air traffic control facilities authorized by Congress in the fiscal year 1975 appropriation.

DEPARTMENT OF TRANSPORTATION
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION
LIMITATION ON ADMINISTRATIVE EXPENSES

The limitation on administrative expenses is increased by \$10,000.

This limitation increase is necessary because of the executive pay increase.

OTHER INDEPENDENT AGENCIES
CIVIL AERONAUTICS BOARD
SALARIES AND EXPENSES

For an additional amount for "Salaries and expenses", \$246,000.

These funds are necessary to defray the cost of the executive pay raise which lifted the ceiling on general schedule salaries.

OTHER INDEPENDENT AGENCIES
COMMITTEE FOR THE PURCHASE FROM THE BLIND
AND OTHER SEVERELY HANDICAPPED

Salaries and Expenses

For an additional amount for "Salaries and
expenses ", \$75,000, to be available until September 30,
1978.

These funds are needed to meet the statutory requirement of
Public Law 91-190, National Environmental Policy Act.

OTHER INDEPENDENT AGENCIES
APPALACHIAN REGIONAL COMMISSION
Salaries and Expenses

For an additional amount for "Salaries and expenses,"
\$15,000.

1978 budget appendix page	Heading	1978 request pending	1978 amendment	1978 revised request
740	Salaries and expenses	\$2,045,000	\$30,000	\$2,075,000

These proposed appropriations requests are necessary to cover the costs of the executive pay raise.

OTHER INDEPENDENT AGENCIES
OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION
Salaries and Expenses

For an additional amount for "Salaries and expenses,"
\$177,000.

This proposed appropriation request is necessary to cover the costs of the executive pay raise.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

*Heck -
Ken discussed
with Barkan -
made a little
progress -*

INFORMATION

19 March 1977

TO:

HAMILTON

FROM:

RICK

SUBJECT:

Your Lunch with Barkan

Suggest you raise the subject of the 10 names suggested by AFL-CIO for at-large DNC positions:

Vic Bussie
Leon Lynch
William Marshall
Frank Rafferty
David Rue
John Schmitt
J.C. Turner
Glen Watts
Red Smith
Albert Shanker

The chances are that neither the DNC nor the Executive Committee will approve the 10 all-male names. Ken Curtis is not likely to do anything to save the names.

You might take them to task for giving Curtis 10 all-male names (only one black). When there are only 25 DNC at-large, this makes balance by sex impossible.

Also, including Shanker for the Teachers is liable to be a mistake.

Landon is already apprised of the situation.

When is it?

Summary
sent
in

THE WHITE HOUSE
WASHINGTON

March 12, 1977

MEMORANDUM TO: THE PRESIDENT
FROM: Jack Watson *Jack W.*
RE: BRIEFING BOOKS

I have copies of the transition briefing books for the following Departments, as updated through the transition period. If you would like to see them, I'll get copies to you. If not, I shall ensure that complete sets are maintained for the Archives.

Department of Treasury	2 volumes
Department of Transportation	3 volumes
Department of Labor	5 volumes
Department of Justice	1 volume
Department of Commerce	2 volumes
Department of HEW	2 volumes
Department of Interior	1 volume
Department of HUD	1 volume
Department of Agriculture	4 volumes

Respectfully,

Jack

P.S. One modest observation for posterity:
Coordinating a Presidential transition
is like poking yourself in the eye with
a sharp stick -- it feels so good when
you stop.

THE WHITE HOUSE
WASHINGTON

The President
of the Senate

Sir:

I ask the Congress to consider proposed supplemental appropriations for the fiscal year 1977 in the amount of \$44,876,000 and amendments to the request for fiscal year 1978 appropriations in the amount of \$439,000.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Respectfully,

X _____

Enclosure



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

Estimate No. _____
95th Congress, 1st
Session

The President

The White House

Sir:

I have the honor to submit for your consideration proposed supplemental appropriations for the fiscal year 1977 in the amount of \$44,876,000 and amendments to the request for appropriations for the fiscal year 1978 in the amount of \$439,000. The details of these proposals are contained in the enclosure to this letter.

I have carefully reviewed the proposals for appropriations contained in this document and am satisfied that these requests are necessary at this time. I recommend, therefore, that these proposals be transmitted to the Congress.

Respectfully,

Bert Lance
Director

Enclosure

LEGISLATIVE BRANCH
OFFICE OF TECHNOLOGY ASSESSMENT
Salaries and Expenses

1978 budget appendix page	Heading	1977 supplemental request pending	1977 amendment	1977 revised request
862	Salaries and expenses	\$729,000	\$725,000	\$1,454,000

1978 budget appendix page	Heading	1978 request pending	1978 amendment	1978 revised request
40	Salaries and expenses	\$8,500,000	\$500,000	\$9,000,000

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL OF ECONOMIC ADVISERS

1978 budget appendix page	Heading	1977 supple- mental request pending (H.Doc. 95-89)	1977 proposed amendment	1977 revised request
57	Salaries and expenses	\$167,000	-\$12,000	\$155,000

1978 budget appendix page	Heading	1978 budget request	1978 amendment pending (H.Doc. 95-93)	1978 proposed amendment	1978 revised request
57	Salaries and expenses	\$1,841,000	\$245,000	-\$91,000	\$1,995,000

These revised requests reflect a reduced need for funds since the Council of Economic Advisors will not be supporting the Economic Policy Group.

EXECUTIVE OFFICE OF THE PRESIDENT

Office of the Special Representative
For Trade Negotiations

1978 Budget Appendix Page	Heading	1977 Supplemental Request Pending	1977 Amendment	1977 Revised Request
863	Salaries and expenses	\$120,000	\$300,000	\$420,000
	(In the appropriation language under the above heading delete "\$120,000" and insert in lieu thereof \$420,000: provided, <u>that not to exceed</u> <u>\$14,000 of this</u> <u>amount shall be</u> <u>available for</u> <u>official recep-</u> <u>tion and represen-</u> <u>tation expenses.</u>)			

The proposed amendment to the supplemental for the Office of the Special Representative for Trade Negotiations is necessary to enable the Office better to carry out its function mandated by the Trade Act of 1974.

FUNDS APPROPRIATED TO THE PRESIDENT

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT
(SPECIAL FOREIGN CURRENCY PROGRAM)

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